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March 2011 • volume 22, issue 5



ON THE COVER It's a retail war out there, and the winners will be armed with strong design. This concept is aptly reflected in the militaristic cover art conceived this month by the folks at **Sid Lee** in Montreal. This issue is full of examples of what a difference great in-store design can make, from coffee shops inside grocery stores to high-tech digital displays in banks. It's retail design on the front line, and if this is what happens when competition gets fierce, we say bring it on.

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Winning by design

For our annual delve into design's role in marketing, we've taken a retail focus this issue. With Target and other U.S. retailers planning to expand here, it's a hot topic.

Of course, the focus on creating more excitement in the aisle preceded news of even more competition. It's a bigger priority across both retail and manufacturer ranks, and why *strategy* is expanding its Shopper Marketing Forum to two days this year, March 2 and 3.

Along that path, both parties are looking to create sticky experiences, and design can tip the scales.

The Biz feature this issue looks at how Canada's retail sector can best prep for the onslaught, and explores what two major retailers are doing to differentiate and build on their strong suits (p. 16). Our Media feature (p. 23) takes a look at a new area of retail design – the spread of touch-screen technology. From telcos to banks, Canada's retailers are finding that by marrying online and offline advantages, creating new in-store media channels, they're able to respond to the expectations of today's info-driven consumer.

Our design report (p. 26) looks at the retailers who are wooing customers by creating destination experiences, such as Longo's in-grocery bar. I'd definitely make a trip for SAQ's elegant new take on upscale liquor shopping designed by Sid Lee, who also flexed their enviable design skills on our cover.

But as our Forum co-columnists Ken Wong and Tony Chapman write (p. 37), the new retail battlefield will incur casualties on all sides and will require some gutsy leadership.

Speaking of which, one of those leaders with keen insights and a laser focus on what matters is, unfortunately for the industry, leaving it. As of March, David Moore hands over the reins of president and CEO of Leo Burnett to Dom Caruso and Judy John respectively.

Moore elevated the agency's role during his tenure via a focus on great creative, insightful research, savvy planning, true media integration and an openness to non-traditional solutions. So, on the eve of his departure to explore the world beyond advertising, we asked David to share some parting thoughts before he heads off to Ipanema. Here's what he had to say:

We love to overcomplicate this business. There is an overabundance of theories, models, formulas, metrics, channel and brand architectures that help us to think seriously about what we do and how to do it better. But at its core, ours is a pretty simple business – centred on people and creativity. You get those two pieces right and everything else will fall into place. So here are my top principles for a successful agency:

The work. It doesn't matter what kind of agency you are: multinational, independent, large, small, full service or specialist – the quality of your work is the single biggest driver of the business. It is our currency and it is what attracts talent and clients alike.

People. Without great people you'll never get great work. Devote your energy to making your agency a superior place to work; it will attract great people and clients. Seek diversity. Hiring a bunch of like-minded people will get you to predictable solutions. Seek diverse teams, skill sets, capabilities and mindsets and never be afraid to mix it up.

Be fluid. The old world order has changed and there are no longer blueprints for success. Success will come to those that are able to work with fluidity, course-correct on the fly, recognize and capitalize on opportunity when it presents itself, and are comfortable with ambiguity.

Wardrobe. Dress the part and when in doubt look to Geoffrey Roche for inspiration.

We here at *strategy* will miss his presence on these pages, so for Moore's exit interview see page 34. There are also a few choice anecdotes from colleagues over his quarter-decade gig in advertising, and since it's the design issue, there are even some sartorial reviews.

Cheers, mm

Mary Maddever, exec editor, *strategy*, *Media in Canada* and *stimulant*

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Tel: (416) 408-2448 Fax: (416) 408-0249. PO BOX 369 Beeton ON L0G 1A0.

Subscription rates

STRATEGY is published 12 times per year by Brunico Communications Ltd.
In Canada: One year CA\$80.00 Two years CA\$144.00
(HST included. Registration #856051396 RT)

Single copy price in Canada is CA\$6.95. Please allow four weeks for new subscriptions and address changes.

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Postmaster notification

Canadian Postmaster, send undeliverables and address changes to: Strategy, PO BOX 369, Beeton ON L0G 1A0 strategycustomer@brunico.com
U.S. Postmaster, send undeliverables and address changes to: Strategy PO BOX 1103 Niagara Falls NY 14304 Printed in Canada. Canada Post Agreement No. 40050265. ISSN: 1187-4309.

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A WORD FROM THE PUBLISHER



The power of ideas

You say you want a revolution? By the time we go to press, the Middle Eastern revolt may have already morphed into something more vast and destabilizing than anybody expected, let alone its Facebook group organizers. Not only is this a triumph for global human rights it's also a watershed moment for social media. While it's been increasingly clear that digitally fed word of mouth is a force, this unprecedented demonstration of how a powerful idea can mobilize digitally connected groups into action across borders ought to perk the ears of every marketer still in denial.

2011 CASSIES

Speaking of ideas that trigger action, effectiveness is a beautiful thing when you're a marketer. For some it's the dividing line between art and business and for others it's the product of their perfect marriage. Regardless, we can all agree that it's vital to celebrate and learn from real marketing programs that move real product. This is why the CASSIES are so consistently relevant. In an ode to marketing effectiveness, over 300 of the top marketers and agency partners from across the country gathered at the Arcadian Court in Toronto to kick off Advertising Week by saluting this year's winners over dinner and Grand Prix-tinis. Ogilvy and Unilever Canada walked away with major hardware, winning Gold for Best Integrated and Sustained Success, as well as the 2011 Grand Prix for the Hellmann's Real Food movement.



Clockwise from left: Laurie Young, the Hellmann's team, Geoff Craig and the CASSIES crowd

We here at *strategy* are always grateful to play our role in producing the CASSIES with the ICA each year, as it ties in so deeply with the core objectives of our publication. A special thanks to this year's CASSIES chair, Ogilvy managing director Laurie Young, and the judging chair, Geoff Craig, for overseeing the most successful edition yet.

Russell Goldstein
Executive publisher, *strategy*, Media in Canada, stimulant

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March 2011, Volume 22, Issue 5
www.strategyonline.ca

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March 31
Metropolitan Hotel
Toronto

What is Experiential Marketing?

If you ask 10 people, you'll get 10 different answers. To some, it's changing consumer behaviour through **direct personal interaction**. Others believe it's **immersive marketing** – connecting people through a digital or physical environment. Is it **event marketing**? Are **stunts** an experiential tactic? What about **social media**? How is it different in person than online? What makes experiential marketing unique? How does it fit into your overall marketing plan?

To help you answer these questions, we've brought together 10 brands from across Canada to share 10 case studies - their stories and insight on how they **define and use experiential marketing**.

On March 31, join speakers from **CIBC, SmartCentres, SONY VAIO** and **Labatt's BudCamp** and other leading national brands as they discuss what experiential marketing means to them and the ROI from their campaigns.

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DREAM CONVOS A MATTER OF CHARITY FOR **WIND MOBILE**



Talk isn't cheap, especially if it's with Barack Obama or the Dalai Lama. In that spirit, Wind Mobile wants to help Canadians have their best conversation ever.

Building on its "Power of Conversation" platform, the telco launched a contest

asking consumers who they want to speak to most in the world, and promised to make it happen for five lucky winners.

Wind will donate \$100,000 for each of the five celebrities to the Canadian charity of their choice. Another \$100,000 will be given to the top six charities voted for online. Visitors can vote for their favourite entries to win prizes.

Developed by Toronto-based Narrative Advocacy Media, the effort kicked off with an event at Ryerson University, featuring Anthony Lacavera, chairman, Wind Mobile, chatting with mountain climber Aron Ralston, who was forced to cut off his arm following a climbing accident, and on whom the film *127 Hours* is based.

"From the very beginning, Wind Mobile has been about harnessing the power of conversation to make things better in wireless," says Lacavera. "'Best Conversation Ever' is designed to give Canadians a new and unprecedented way to experience that power on a bigger scale."

With Starcom MediaVest handling media, Wind partnered with CTV to integrate the contest into segments on *eTalk*, *Off the Record* and BNN. A 30-second spot, by Toronto-based Clean Sheet, is also airing during CTV shows.

The contest is on Facebook and Twitter, and activation teams managed by NewAd are visiting universities and malls. It will run until March 7. **JP**

CANON PROMOTES NEW PICTURE



Canon Canada is reimagining itself. It recently launched a new branding campaign that positions it as a purveyor of excellent imagery across relevant lines of business, like its camera, B2B (such as copiers) and medical imaging products.

The effort was developed by the company's new AOR, JWT, which won the account following an agency review last year. Canon's campaign is its first since Dentsu developed "Your Story" in 2008. The decision to overhaul the brand

came as a result of research undertaken in 2009 that revealed that while Canadians recognize Canon, they don't know what it stands for.

"We're trying to make a much greater emotional connection to our customers and our would-be customers," says Wayne Doyle, senior manager, corporate communications, Canon Canada. "We want to clearly articulate to Canadians that when their image matters, they can count on Canon."

This new effort features a TV ad that focuses on significant Canadian moments (from Sidney Crosby's famous Olympic hockey goal to taking your kids to ballet class), as well as three magazine ads and a newspaper execution. More print will launch in April and the brand is looking to take the campaign online with banners and rich media. **JP**

STAN LEE'S NHL SUPERHEROES

BY CRAIG MACBRIDE



Hockey players are often heroes to their fans, but now the NHL has an animated superhero for each team thanks to the Guardian Project, a partnership with SLG Entertainment (led by comic icon Stan Lee).

Designed to attract young fans, the project was announced at the start of the hockey season, and the Guardians were introduced during the NHL

All-Star Game on Jan. 30. A business was built around the project, Guardian Media Entertainment, and an interactive social media strategy was devised by RocketXL in Los Angeles.

Leading up to the game, the NHL pitted the superheroes against each other and had fans vote to see which character would be revealed each day. Superheroes included The Flame (above), who shoots napalm blasts from his eyes and has wings made of fire; and The Maple Leaf (below), a walking, talking tree that can grow larger at will.

In January, 72,000 fans registered to vote on Facebook (far exceeding the 10,000 goal), they voted 1.2 million times and bestowed more than 21,000 "likes."



"We could've run a poll on NHL.com or Guardianproject30.com, but Facebook was a fun way to allow people to vote in an interactive application and also comment," says Mark Schultz, senior manager of integrated markets, NHL.

Every time someone shared the link, they multiplied their chances of winning the Guardian Project's graphic novel.

Now that all the Guardians are revealed, the NHL is pushing people to the main website, where the story continues and fans can learn more about the superheroes. And the next step, Schultz says, is to go bigger: "The hope and the goal...is to have an animated series on a major network in both Canada and the U.S., and those discussions will start shortly."

DORITOS FANS WRITE THE END



Once again, Doritos is putting its fate in the hands of chip lovers, and exceeding expectations right out the gate.

This time, the Frito Lay brand asked fans to complete a commercial that first aired during the Super Bowl. In the spot, two chip creators present flavours – Buffalo Wings N' Ranch and Onion Rings N' Ketchup – to their leader, but before she chooses one, viewers are asked to write their own ending.

After the success of Guru and last year's Virality, it was natural for Doritos to go the consumer-generated route again, but this time the brand decided to simplify it.

"Writing breaks it down to its purest form, a really level playing field," says Tim Welsh, VP group account director at BBDO.

The new direction has already paid off. After receiving 2,000 video entries last year, this year's goal was 6,000 entries, but they received 7,000 in the first week alone. Entrants have been posting their endings on Writetheend.ca and sharing them via social media. The top 14 vote-getters will be put to an expert panel, and the winning ad will be revealed on May 5 in grand style with MuchMusic and Astral.

The winner will receive \$25,000 and 1% of future sales from their winning flavour, an element that's being brought back from the Guru campaign.

"We learned that 1% of sales generates a lot of buzz," says Haneen Khalil, marketing manager for Doritos. "We want them to want the flavour that survives to do well on the shelves. There's a connection there, a partnership."

The winner will become the first member of the Doritos "Think Tank." They'll be flown to Toronto to meet with the team and will weigh in on future brand decisions.

Along with BBDO and its offshoot Proximity, which created the website, OMD is handling media, Capital C designed the packaging and Fleishman-Hillard is handling PR. **EW**

BBR BRINGS OUTAOUAIS LOGO TO LIFE



It's hard to get noticed when you sit beside the nation's capital, so when the Outaouais region of Quebec wanted to strengthen its identity, and possibly bring in more

tourists, it enlisted Montreal-based Bleublancrouge.

After a branding exercise with a group of locals, the agency found that the region has a desire to stand out more and showcase its economy, quality of life and tourism, explains Jean-Philippe Tardif, VP branding and design, Bleublancrouge. So to cover the various attributes of the region, BBR created a "living logo" that collects data (which can be anything from weather patterns to bicycles riding by a park) and turns it into an ever-changing design. The logo will launch on a web portal in the next few weeks and at press time they were finalizing the data that would be used.

The plan is to then kick off a three-year campaign using the logo in communications, which may include TV, billboards and online advertising. Various static versions of the logo will be used for marketing, stamped with the date and time in which they are captured.

"It's all based on the real life that goes on there, it's not an artificial brand," says Tardif. "We're really proud of that because we found a way to humanize [it] with technology." **EW**

"We know it's a little wacky"

Brilliant!

BY KATIE BAILEY



SWISS CHALET ROASTS WITH ROGERS

It's 6 p.m. All over the country, Canadians are arriving home, flopping down onto the sofa and watching TV while wondering what to make for dinner. They'll see lots of commercials with helpful suggestions but starting Feb. 28, there will be an entire channel dedicated to one dinner idea exclusively: rotisserie chicken.

Swiss Chalet is debuting an all-chicken, all-the-time digital TV channel on Rogers cable. Like the classic burning Yule log before it, the Rotisserie Channel will feature a roasting chicken 24 hours a day, seven days a week, for the next three months. As it cooks (on Rogers' channel 208), a promo code will regularly appear, driving viewers to Swiss Chalet's Facebook page to claim an offer. The deals will differ every day and when the viewer inputs the coupon code to the page, it will deliver a printable coupon customized with the recipient's name.

The Rotisserie Channel will be supported with TV ads featuring a Swiss Chalet employee talking about how great it would be to have a channel dedicated to roasting chicken, featured placement on the Rogers "Quick Start" digital TV menu and promotion through Swiss Chalet's Facebook page and website.

"We think this is a really exciting, new and innovative idea," says Mark Daprato, VP marketing, Swiss Chalet, explaining that the idea for an all-chicken channel arose out of a desire to link the brand's Facebook presence (it currently has almost 70,000 fans) with its TV media strategy. "We know it's a little wacky," he says.

Campaign creative was handled by BBDO Toronto and media by MEC.

NIVEA POPS UP FOR 100TH ANNIVERSARY

BY MELINDA MATTOS

Nivea's little blue tin of creme has sure come a long way since its 1911 launch in Germany. Now the number one skincare brand in the world (as measured by Euromonitor), Nivea is marking its 100th anniversary with a Canadian masterbrand campaign that includes a contest, a pop-up shop, national media and PR.

When Nivea entered the Canadian market in 1968, it launched with only three SKUs, including the creme and a milk product. Now Nivea has over 300 SKUs across six categories, reaching out to a primary target that's female, 30 to 49, but also a secondary Nivea For Men target of males, 25 to 49.



An early German ad for Nivea's first product.

In its anniversary year, the brand will be launching 36 new products. But Nivea Creme is at the forefront of the masterbrand campaign, says Larry LaPorta, general manager, Beiersdorf Canada (Nivea's parent company).

"It embodies the Nivea brand," he says. "When you talk to consumers, we always hear about somebody in their family using it, whether it's their mother, grandmother or sister."

The platform of the campaign is "100 years, skincare for life," and hangs on the notion that because skin is an essential part of who we are, we need to look and feel good in it, explains LaPorta.

From March 18 to April 3, a pop-up centre called the Nivea Haus will be open at 361 Queen. St. W. in Toronto. Visitors will take an interactive test to determine their skin type, then move to various kiosks where skincare experts will introduce them to the products and help them determine a regimen that's best for them.

"We know from our proprietary research that our consumer is totally interested in educating themselves about skincare," says LaPorta. "They'll be able to discover the textures and fragrances of our products and learn more."

After their skin intel session, visitors will have their photo taken, receiving a print in a Nivea branded bag that also includes samples and coupons.



The pop-up centre will be advertised in *Metro's* Toronto edition and also promoted via geo-targeted ads on the newspaper's website, with a PR campaign by Zeno Group in Toronto.

The brand is also hoping to build excitement through its Nivea Cares For You Contest. It's offering up a "body and soul regimen for two"

worth up to \$10,000, which includes the services of a beauty and wellbeing expert, a Nivea skincare expert, a massage therapist, a fashion stylist, a personal trainer, a chef and a nutritionist. Secondary prizes of 100 skincare gift sets are also up for grabs.

"Our brand is not just about looking good but feeling good too," says LaPorta. "We want to really bring that to life."

The contest runs until April 30 and is being promoted via direct mail by Speed in Montreal; national magazine ads in both French and English, with creative by Drafftcb in Montreal and media by Aegis in Toronto; and a microsite linked from Nivea.ca, with digital by K3 Media in Montreal. The microsite will also be home to an online version of the interactive skin test, as well as product coupons.

And to prevent being seen as your grandmother's skin creme on its 100th birthday, Nivea is partnering with game developer Ubisoft to unveil *Your Shape: Fitness Evolved*. The Xbox Kinect game features fitness expert and Nivea spokesperson Sarah Maxwell leading a workout in a Nivea-branded environment. Nivea will be joining a Microsoft national tour stopping in 12 Canadian cities from Feb. 21 to April 3. At the tour stops, people can play *Your Shape* to win prizes from Nivea and Microsoft, and can try out Nivea's Q10 firming products. Visitors to the pop-up centre in Toronto will get to play the game as well.

"We've evolved with our consumer as we've gone along," LaPorta says. "Even though we're 100 years old, we're still modern and relevant."



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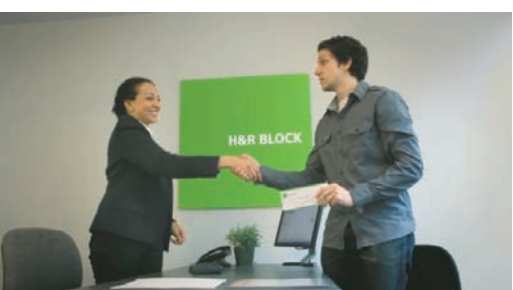
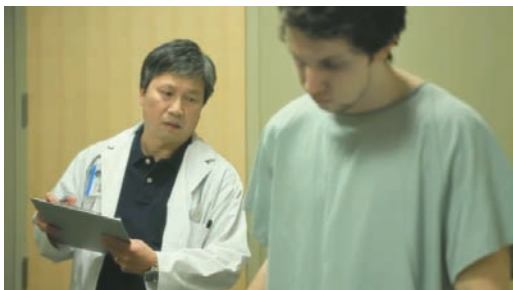


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Corporate

OUTSTANDING NEW CAMPAIGNS



BY JONATHAN PAUL

H&R BLOCK CURES TAX PAINS

Doctors can't cure the seasonal discomfort of tax time, but H&R Block wants Canadians to know it can provide relief.

The company's new campaign, developed by Toronto-based Due North Communications, is a departure from last year's effort, when it ran its American ads north of the border. It's specifically tailored to the Canadian market, shifting away from the U.S. strategy – which is informed by the American fear of the IRS – to one that embraces the Canadian view of taxes being a chore.

The effort features versions for both English-speaking Canada and Quebec. The English consists of two TV spots, one targeting "early" filers looking for fast cash and another for "mid-to-late" filers looking for expedience and large refunds. Both literally compare tax time to a pain in the ass, and show hapless patients seeking relief from various medical professionals, to no avail, until they are saved by a quick visit to H&R Block. Tactical radio, running until the end of April, online, OOH, print executions and a DM piece acting as an envelope to stuff all your tax-related info into, round out the English media mix.

"The strategy was to let people know that H&R Block removes a burden by making taxes pain-free," says Karen Howe, senior VP, CD, Due North Communications.

Quebec's version of the campaign focuses on the province's preference for dealing with specialists in their day-to-day – like going to the bakery for bread, or the butcher for meat – and positions H&R Block as the tax specialist. The effort spans TV, POS and online support.

advertiser: **H&R Block**
agency: **Due North Communications**
CD: **Karen Howe**
copywriter: **David Gee**
AD: **Shawn Wells**
account director: **Jeff Robinson**

director: **Kevin Donovan, Wilfrid Park**
producer: **Kali Kyriazis**
prodco exec producer: **Angie Colgoni**
editor: **Andy Ames, Panic & Bob**
sound: **Terry O'Reilly and Chris Tait, Pirate Toronto**





Bio

Born: Montreal, QC. July 24, 1975

Education: Honours Business,
Wilfrid Laurier University

Career: Julie Raheja-Perera started at Nabisco in 2000 as assistant marketing manager for Primo Pasta. Just as the company was merging with Kraft, she got a call from a recruiter about a job at PepsiCo. She started there in 2001 as marketing manager on the flavours business (Mountain Dew, Dr Pepper and Mug Root Beer) and over the last 10 years, she says she's "worked on pretty much every beverage brand we have."

She became marketing director for hydration in March 2010, after returning from maternity leave, and was promoted to senior director, portfolio activation and field marketing, last month

Size of marketing team: 13

GATORADE

primes for G Series

After months of training with athletes and wooing influencers, the PepsiCo brand is ready to take the leap from hydration to sports nutrition with a new product line

BY MELINDA MATTOS

Whether you watch hockey, football or golf, it's an image you're probably familiar with: the bright orange Gatorade cooler on the sidelines, providing hydration for sweaty players and the occasional full-body drenching for their coaches.

Designed to replace the electrolytes lost during athletic activity, Gatorade (a PepsiCo brand) created the sports-beverage category with its 1965 launch, and became an iconic part of pro sports mythology soon after. Although it still controls 70% of the category, competitors like Coca-Cola's

The campaign reminded calorie-conscious recreational athletes that Gatorade had a product for them too, while drawing on the insight that when you're playing your best, even rec athletes feel like pros.

But this April Gatorade is introducing Canada to what may be its biggest innovation yet: the G Series. It's a three-step line of products, each sold separately: Prime (a concentrated blend of carbs and B vitamins to be consumed just before athletic activity), Perform (either original Gatorade or the



Montreal-born MMA fighter Georges St. Pierre speaks at the G Series Symposium in Toronto.

Powerade (launched in 1988) have meant that Gatorade needs to keep on top of its game, both in terms of product innovation and marketing.

In 2009, Gatorade freshened up the business by rebranding as G, adding a new roster of spokes-athletes who shared their connections to the brand in a campaign celebrating their "G Moments." Recent efforts such as the "No Small Victories" campaign have championed the low-cal G2, first introduced in 2008.

low-cal G2 version, to be consumed during activity) and Recover (a protein- and carb-based post-exercise recovery drink).

The marketer behind the big launch is Julie Raheja-Perera, who spent the past year as PepsiCo's marketing director for hydration but, at press time, had just been promoted to senior director, portfolio activation and field marketing.

Raheja-Perera explains the impetus behind the G Series: "We collaborated with the scientists in

the Gatorade Sports Science Institute (GSSI) and did consumer research with over 10,000 athletes, and we found that there was a real need for sports nutrition not only when people are doing athletic activity but also before and after.”

Like regular Gatorade, G Series products will be sold at most convenience, gas and drug stores in Canada. Another line, G Series Pro – which has a higher carb count and more sodium and potassium – will be sold in specialty athletic stores.

The plan is to shift Gatorade from a hydration brand to a sports nutrition brand. “The G Series is going to be a long-term innovation platform for developing products for before, during and after athletic activity,” Raheja-Perera says.

The G Series launched in the U.S. last spring, and while its Canadian kickoff is still a month away, local marketing efforts began in August 2010 with the G Series Symposium held in Toronto.

A first for the brand, the event brought together an audience of 90 key influencers – athletic trainers, educators, pro athletes and nutritionists – to teach them about the new products. The day kicked off with Dr. Lawrence Spriet, a University of Guelph professor and chair of the GSSI, teaching a course that was accredited by the Canadian Association of Athletic Trainers. It continued with a panel discussion about performance nutrition, as well as a performance lab in which Canadian athletes like mixed martial arts (MMA) champion



With the launch of the G Series – which includes beverages for before, during and after athletic activity – Gatorade expands beyond hydration to focus on Canada’s \$328.1 billion sports nutrition and isotonic category.

Georges St-Pierre and champion kayaker Adam Van Koeverden had their muscles put to the test.

The one-day event nabbed over 13 million media impressions (including traditional and social), but the real target was the people in the room. The goal was to have over 70% of attendees want to recommend the G Series to the athletes they work with, but that goal was surpassed, with over 83% wanting to recommend, Raheja-Perera says.

Gatorade also enlisted 65 Canadian athletes – including the two mentioned above – to train with the G Series for four months, beginning in August. A two-minute YouTube video featured Van Koeverden talking about the importance of replenishing lost nutrients and his excitement about working with the G Series. Raheja-Perera says the training experiences of all 65 athletes will inform future product innovation as well as the April 2011 launch.

Although Raheja-Perera can’t unveil the specifics of the spring launch campaign just yet, she says you can expect to see a large-scale multimedia campaign, with help from creative agency TBWA/Toronto, media agency OMD, SDI for sports marketing and High Road Communications for PR (all in Toronto). You can also expect the launch to incorporate athletes and imagery from a broad range of sports – a direction that Gatorade’s been heading in since it rebranded as G.

“We’re getting into sports in places where we typically hadn’t been,” she says, noting a shift beyond stick-and-ball sports to incorporate athletes like paralympian Chantal Petitclerc and ultra-marathoner Ray Zahab.

But some of the spokesperson hires were tough calls, and Raheja-Perera admits that the decision to bring Georges St-Pierre on board in 2009 was a tricky one.

“I remember Ryan Collis, marketing manager at

the time, [bringing up] some compelling key facts on how, with teen males, MMA had more appeal than baseball,” she says. “At the same time, there were certainly some questions about the sport, because no major brand in any category around the world had associated themselves in any big way with an MMA athlete.” Not to mention the fact that the full-contact sport had a reputation for being violent.

Knowing that she’d soon be stepping into Collis’s role, Raheja-Perera felt like her “butt was going to be on the line” if the decision was a bad one. But ultimately she supported enlisting St-Pierre.

“Georges epitomized what the brand stood for in terms of athleticism and the heart, hustle and soul of the brand,” she says. “I’m proud of that decision, which has now paid out in spades.”

While Gatorade has broadened its scope, it’s not forgetting about the classic Canadian game. In addition to being a long-time NHL sponsor and a sponsor of the league’s first Research and Development Camp last summer, Gatorade has also been a partner of Hockey Canada for years. The brand was present at Team Canada’s training camp last August, with players introduced to the G Series and encouraged to train with it, and their experiences were caught on film.

“During the World Juniors in December and January, when 14 million people and half of Canada were watching, we ran in-content segments to talk about how athletes felt before, during and after [competition] – and to seed the message about G Series coming to Canada,” Raheja-Perera says.

With about a month to go before the big G Series reveal, she is optimistic about what’s ahead. “It has done extraordinarily well in the U.S.,” she says. “We’re really happy with the way we’ve been able to drive trial with the right key influencers in Canada to set the launch up for success.” ■

3 QUESTIONS

What’s your favourite way to work up a sweat?

I used to play rugby [in high school]. I guess I’m at a different stage in my life, but yoga’s big for me now.

If you had one superpower, what would it be?

I’d love to be able to fly. I love travelling around the world but don’t love airports. One must is that I can carry friends and family with me on these adventures.

How would you describe your marketing philosophy?

In this world that rightly puts consumers in control, we absolutely must be authentic about how we portray and curate conversation and images about our brands. Brands that don’t do this will be “discovered” one way or another. Brands that are authentic to their essence and values will win consumers’ respect in the long-term.



DESIGNING A BULLETPROOF RETAIL EXPERIENCE

Gearing up for a U.S. store invasion calls for a strong arsenal. From retail design to shopper marketing, we investigate what counterattacks The Bay and Walmart have prepared, and nab some tips from the experts

BY MELINDA MATTOS

"The Americans are coming!"

It's a whisper that's been going through the Canadian retail sector for years, and one that was confirmed in a big way this January, when Target announced that it had purchased the bulk of Zellers store leases in a \$1.8 billion deal, with plans to convert 100 to 150 of them to Target locations in 2013 and 2014.

For most observers, it was never an issue of *if* Target would enter

the Canadian market but rather when. Retail real estate is scarce in Canada, especially for stores with a large footprint, and Target had long been rumoured to be seeking space on this side of the border. The deal with Hudson's Bay Company (which is now U.S.-owned itself) provided an opportunity to enter the country with guns blazing.

It isn't just Target, mind you: the current U.S. economy has sent many retailers scrambling to find

new markets, and expanding to Canada is more straightforward than entering Asia or the Middle East. This year, a slew of U.S. retailers including Marshalls, J. Crew, Intermix, Express and Zumiez will all open their first Canadian stores, following in the footsteps of Victoria's Secret (see "Goodbye, cross-border shopping," page 18). There's some domestic expansion going on too, as Quebec clothing retailer La Maison

Simons has announced plans to open its first location in English Canada – a 100,000-square-foot Simons store at West Edmonton Mall – next year, with a dozen to follow over the next decade. Although its name isn't well known outside *la belle province*, Simons does brisk business at its seven Quebec stores, selling a mix of cheap-chic and designer lines.

While all of the new additions will mean more competition

for domestic retail brands, Target is likely the most daunting contender. As Diane J. Brisebois, president, Retail Council of Canada (RCC), points out, “Mass merchants compete with everybody, with the exception of very high-end retailers. [The overlap] can be very narrow, 2% of their SKUs, but in some cases it could be 50%.”

The new competition does come with a silver lining, according to Joe Jackman, CEO, Joe Jackman Brand, a retail strategy consultant who worked on the transformation of Duane Reade in New York, the turn-around of Old Navy and the development of FreshCo for Sobeys.

“It forces everyone to sharpen their focus and innovate to improve their position,” Jackman says. “The real enemy is not competition from the U.S., it’s a lack of focus and complacency.”

Going up against a sharp-shooter like Target requires a bulletproof retail experience, encompassing everything from store design to savvy brand partnerships. As Canada gears up for a new round of retail wars, it’s an ideal time to look at what two of the country’s biggest players, Walmart and The Bay, have been up to and what other retailers might want to add to their arsenal.

As far as head-to-head battles go, there’s none more obvious than Target vs. Walmart. Walmart entered the Great White North in 1994, purchasing the Canadian Woolco stores from Woolworths. The mass merchant now has 324 locations across the country, 119 of which are supercentres, housing a full grocery and fresh foods department in addition to general merchandise.

And the number of supercentres is growing: Walmart just announced plans to introduce 40 more in the next fiscal year, through a combination of renovation and new locations, and to expand the format to Manitoba and Quebec. By the end of January 2012, the retailer plans to have 333 stores, 49% of which sell groceries.

Clearly Walmart’s supercentre format, which first launched in Ontario in 2006, is a key part of its battle plan.

“It’s all about being a one-stop shop destination,” says Jeff Lobb, SVP marketing, Walmart Canada. “With grocery and particularly fresh [foods], it’s a proven traffic driver. The average Canadian will buy fresh a couple of times a week... So ideally they’re coming in to Walmart a couple of times a week to buy those items and potentially [buying] others.”

Although the new superstores will boast a fresher look and feel, Lobb says no chainwide makeovers are planned. “Because we’re a low cost operator we won’t change signage over prematurely until it’s full amortized,” he says.



Above: The bull’s eye is on Canada, as Target prepares to open more than 100 stores starting in 2013. Opposite page: Walmart’s revamped electronics department puts increased emphasis on brand names.

But the lack of glamorous new look isn’t necessarily a strike against Walmart.

“Store design doesn’t just mean slick and modern,” says Brisebois. “It’s an extension of the customer you serve. In some cases, the customer expects the store design to make them feel affluent and sophisticated; in others, they want the store to make them feel thrifty.”

As Jackman says, “Retail design is evolving from how a store looks and is organized into the customer experience it facilitates. In this regard, the importance of design as a means of differentiation is profoundly greater than even a decade ago, and the more intense the competition, the more important it becomes.”

Walmart has been making some careful

in-store changes recently, such as the decision to create more space in the dressing rooms and ensure they’re kept tidy.

The electronics department has also been reorganized in all stores, with name brands prominently displayed on the TV wall and a counter added to let consumers take a hands-on look at digital cameras, cellphones, GPS devices and trendy Apple products.

“Electronics is an area where brands are particularly important,” says Lobb, while noting that low prices remain a priority in all departments. “We’ve redesigned the area to make it a more enjoyable customer experience.”

No doubt feeling some pressure from Loblaw’s cheap-and-cheerful Joe Fresh,

GOODBYE, CROSS-BORDER SHOPPING

Here's a rundown of some of the latest U.S. brands to announce Canuck outposts

Express

The twentysomething-focused fashion chain is the sixth-largest in the U.S., with 580 locations. It plans to open its first six Canadian stores this year, with 50 expected over the next five years. Offering both menswear and womenswear, it's likely to butt heads with Canadian-helmed brands like Le Château and Jacob.

Intermix

This fall, the U.S. luxury retailer will be opening a 2,500-square-foot flagship (its first Canadian location) on Toronto's Bloor Street – just steps from the flagship of Holt Renfrew – with plans to open more Canadian stores afterwards. Carrying a range of designer fashions from Stella McCartney to Diane von Furstenberg, it's challenging not only Holts but The Bay as well.

J. Crew

Known for its preppy clothing, shoes and accessories – sold both in store and by catalogue – the retailer will be opening its first Canadian location in Toronto this year. Watch out, Gap!

Marshalls

Winners' U.S. sister chain, which also sells brand-name clothing, shoes and housewares at discount prices, is about to open its first Canadian stores, including one on the premises of the defunct 50,000-square-foot Toronto nightclub Circa. In addition to borrowing share from Winners, Marshalls will likely take a poke at Walmart and Sears.

Target

The U.S. retailer is finally headed to Canada, after buying the store leases of Zellers from HBC. It plans to convert 100 to 150 of the stores to Target locations in 2013 and 2014, competing with, well, almost everybody.

Zumiez

The U.S. skateboard and snowboard apparel store is cruising into Canada with several locations planned for this year and more to come. It's time for Canadian action sports retailer West 49 to learn some new tricks.

Walmart has also put a strong push behind its George apparel brand. Last summer, the store retired a number of private lines, including B.U.M., Penman's and 725, replacing them with the George banner. Every location was retrofitted to create a store-within-a-store experience, with branded signage, hardware and tags.

"Instead of seeing different brands, you see George, whether it's menswear, womenswear or kids," Lobb says.

Walmart has also been flexing its shopper marketing muscle, engaging in programs with suppliers in all corners of the store, from automotive to beauty products.

"One of the big things we've been doing fairly successfully in 2010 is [building] co-marketing initiatives that create a win for Walmart and for vendor partners," says Lobb, who spent 18 years at PepsiCo before joining

Walmart partnered with Hershey and Mars to create a product display, carrying the message through to the flyer, website and in-store media.

"It gave a one-sight, one-sound example for customers and [the message] that they didn't need to go anywhere else to get confectionary or costumes," Lobb says.

Martin Rydlo, director of portfolio strategy and initiatives, Campbell Company of Canada, agrees on the value of such programs.

"Shopper marketing is critical in helping retailers address the ever increasing time-pressed nature of shoppers' lives," he says. "Just putting products on shelf or building displays that lack linkage to key shopper needs does not help the retailer grow loyalty. Convenience and a connection to their store communities do."

Although Walmart's U.S. management famously turned the store's action alley into



Walmart three years ago. "We know it's been successful because most of the companies we've been dealing with want to do the same but even bigger in 2011."

For instance, Walmart has been employing "Beauty For Less" messaging in-flyer and in-store to feature key brands such as Procter & Gamble, L'Oréal and Alberto Culver. Like the electronics department, beauty is a smart area in which to spotlight name brands – the 2011 BrandSpark Canadian Shopper Study found that only four in 10 Canadians believe private label beauty products are as good as brand name, compared to almost six in 10 who believe the same for food, household and over-the-counter health care products.

At Halloween, a key season for the retailer,

inaction alley with a "clean aisle" policy eliminating palette displays, Lobb says such efforts have been more moderate here.

"I think we've struck a happy balance in Canada whereby we make sure we give the appropriate amount of customer space but we still have a lot of items in action alley," he says.

And as for the impact of the red and white bull's eye aimed at Canada?

"Bring it on," Lobb says. "Truthfully, and I don't think we're arrogant when we say this, we've got a plan. We've had a 16-year headstart in English and French Canada and that's not insignificant. We've learned a lot along the way [and] that's helped us get better."

Lobb adds that he thinks "disarray" during the transition from Zellers to Target will create



Above: Walmart has streamlined its apparel offerings, eliminating numerous private labels in favour of a stronger presence for George.

Opposite page: As The Bay begins a slew of store revamps, the White Space provides some clues as to the retailer's preferred design aesthetic.

some additional opportunities for Walmart.

"Expect us to play harder on everyday low price and rollbacks," he says.

While Walmart rolls back its prices, The Bay is reaching out to those who don't mind spending more – a transformation that began when Bonnie Brooks took the helm as president and CEO in 2008.

Defined by psychographics more than demographics, The Bay's new target falls into two main categories, explains Patrick Dickinson, VP of marketing. First, there's the "true fashion-involved consumer" – female or male, young or old, this customer considers style important and is willing to pay for it. Then there's the "pragmatic shopper," who wants quality and value, but, once again, isn't necessarily seeking the lowest price. "They're looking for a price that is representative of good value when placed against the quality, style and wearability of items," says Dickinson.

In other words, forget competing with Target — The Bay wants to give Holt Renfrew a run for its money, reaching out to

the ladies (and gents) who lunch.

On that note, The Bay announced in February that all 24 of its in-store restaurants would be getting a makeover, as well as new management. Food service company Compass Group Canada will be involved coast-to-coast while fine-dining company Oliver & Bonacini Restaurants has been brought on to revamp the flagship locations. Plans for the Toronto flagship include a slick new concept restaurant at the corner of Queen and Bay streets, combining à la carte and al fresco dining as well as fresh takeaway.

"I think it can only improve the overall store environment and the experience customers will have," Dickinson says, adding that the "foodie" demographic falls neatly in line with The Bay's new target.

"I think people currently coming to The Bay might not even consider staying for lunch, where now that becomes more of a full-day option. You can spend more time in the store and really enjoy yourself while you're there."

The planned renovations for the Toronto

flagship also include a state-of-the-art conference facility on the eighth floor and a renovation of the historic Arcadian Court that Dickinson says will "put us right back in the league with the best event spaces in the city."

Retail design is critical to Dickinson and to The Bay as a whole. "We have an underutilized asset in terms of probably the most valuable retail space in all of Canada in just about every city in which we operate," he says. "The degree to which we'll be investing in the stores this year is probably greater than we have done any time in the last 10 years."

Practically every store in the country will get a refresh, if not renovation, this year, he says. "Our intention [is] to bring those assets back up to realize their full potential...so that they are truly showing as best in class, not just in this country but in the world," he says.

The Bay's contemporary designer brand department, White Space – launched in Toronto about a year ago and since rolled out in Montreal and Vancouver – provides some clues about the direction the store is going.

"It's clean and contemporary, with marble floors and bright lighting, and not overcrowded in terms of the merchandising and fixturing," says Dickinson. "It is really our best foot forward in terms of what we would love for all of the stores to approach."

It would appear that it's been well received: every store with a White Space increased its sales by double-digit percentage this year, Dickinson says.

The Bay's desire to be seen as a world-class shopping destination has also taken the retailer outside Canada's borders. In December, Parisian department store Colette began carrying items from the Hudson's Bay Company Collection, including the iconic four-point wool blanket.

But the goal wasn't to woo Parisian shoppers as much as jet-setting Canadians.

"There are a lot of people in this country who subscribe to the Colette newsletter [and] if they go to Paris, that is definitely a place they would stop," Dickinson says. "[At Colette] we're competing on a global basis within a very style-savvy environment known for selecting the coolest, the most current products. It's a real feather in our cap."

The Bay has also been partnering with other international brands to put its stripes on products ranging from a Burton snowboard and K-Swiss sneakers to a Swiss Army knife.

"It's all about getting the brand into the style centres globally and having it play back as a unique take on Canadian culture... Really,



The Bay has gone on a partnering spree, having its iconic stripes put on products ranging from a Swiss Army knife to a Burton snowboard.

Hudson Bay Company is the only company that can do that."

Though U.S. style mavens have shown a soft spot for "Tar-jay" and its designer-produced lines, the price points are so different that The Bay probably needs to worry more about new entries like Intermix, which has 23 locations across the U.S., and carries designer fashions ranging from Vera Wang to Jimmy Choo.

The Bay's tight new focus on fashion-loving customers who shop big and shop often aligns with Jackman's tips for brand building: "Divide your customers into meaningful segments.

Choose the one most important and valuable to you, and several others that matter, and then focus on them religiously," he says. "It's amazing how fast you can move, and how much momentum you can generate, when everyone in an organization is clear about what they intend to be to whom, and pumped about where they're headed."

As competition increases, Dickinson says The Bay will stay focused on differentiation: offering products customers can't find elsewhere, providing an improved in-store experience (from design to customer service) and building what he calls a "true" loyalty program.

"We're investigating new ways of engaging the people who visit us the most and spend the most with us," he says, pointing out that the revamped loyalty program will add another layer to the existing HBC Rewards points system.

"We know people will visit the new retailers, there's no reason why they shouldn't," he says. "We just want to make sure we maintain a favoured status with them."

As new brands fight for space in Canada's crowded shopping centres, it's time for the old guard to step up its game. As Brisebois says, "At the end of the day, this will encourage retailers to really dig deep in their data, in their analytics and make sure they understand their customer – the style she wants, when she wants it, at the price point she wants it and in what kind of environment."

For shoppers, it's great news. For retailers, this means war. ■

GETTING THE RETAIL EDGE ONLINE

"If retailers are not breaking up their customer base and understanding them by digital behaviour, they're really missing an opportunity," says Adam Froman, CEO, Delvinia. The Toronto-based digital strategy and customer experience firm released its quarterly Delvinia Dig report, "The Social Shopper: A Lens into the Future of Retail Experiences," on Feb. 24 and it contains some noteworthy insights for retailers looking to strengthen their online programs.

The most surprising finding, Froman says, was that although 61% of Canadian shoppers say they research products online before making purchase decisions at least half of the time, category makes a big difference. For instance, while home electronics buyers are five times more likely to choose the internet over the store environment when gathering pre-purchase information, apparel shoppers are 68% more likely to do their research in-store. Intuitively, this makes sense – most shoppers want to touch the fabric and try the garment on – but the preference extends to other categories, too, with CPG consumers also more likely to gather information in store.

The study also found that 65% of Canadian shoppers look for consumer reviews and recommendations while researching online. And there's good reason for retailers and brands to let customers post reviews (including the negative ones) on their sites, Froman says.

"They're going to do it anyway," he says. "If they do it in an environment where you have some involvement, at least you can respond and deal with it... Giving up that control actually gives you more control in the relationship."

The hunt for online reviews isn't just happening on consumers' laptops. Delvinia found that nearly 20% of Canadian smartphone owners use their phone to search for recommendations while they're out shopping – a number that rises to 40% when they're iPhone users. And one-third have used their phone to take a picture of a product in store, which Froman points out is an important reason to ditch dated no-photography rules.

Delvinia's proprietary segmentation model, Digital Mosaic, breaks down the Canadian population based on individuals' attitudes towards and usage of digital technology, resulting in three major groups: the time-starved, for whom technology's primary purpose is to help manage their hectic lives; the heavy social users, for whom tech is also a lifeline to friends and family; and laggards, including late-adopters and those who don't own or embrace technology.

As retail competition grows, Froman says it'll be increasingly important for retailers to understand their customers' digital usage. "They really should be putting on that lens, because that's going to give them the insight on how to compete," he says.

SOBEYS TAKES A FRESH APPROACH

BY JONATHAN PAUL

The name says it all: FreshCo illustrates Sobeys' agenda for retooling its Price Chopper discount grocery chain. Designed by Rethink in Vancouver with retail consultation provided by Toronto-based Durnan Jackman Saffer, Sobeys' newest format is positioned around value rather than price, aiming to provide Ontarians with an experience that's the antithesis of Price Chopper. It defies discount banner conventions, featuring a bright, clean, modern look – from signage to staff uniforms – plus a focus on fresh local fare, a broad ethnic offering and more choice. Pulling no punches, its tagline, "Fresher. Cheaper," indicates it's still a discount grocer. "We aimed to create a discount store with no trade-off," says Lisa Nakamura, associate CD, Rethink. "We knew we had to choose an identity that was really ownable for them."

The colour palette includes bright green (representing freshness), black (to make it pop) and white. High-contrast black and white food photography adorns walls, gift cards and bags to convey value, but also a premium feel. FreshCo has a minimalist interior designed to control traffic flow much like Ikea does, directing shoppers through the produce, bakery, meat and ethnic aisles before they can reach other areas.

We asked retail guru **John Torella**, senior partner at Toronto's J.C. Williams Group, and design maven **Scott Friedmann**, executive VP, innovation and design at Toronto-based Idea Couture, to tell us whether or not Sobeys' new approach is as fresh as its name would imply.

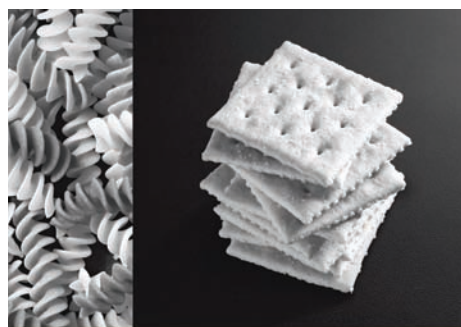


THE LOOK

Friedmann: The FreshCo look itself is modern and minimal, if not upscale, with the playful green adding some friendliness to the epicurean feel of the black and white font and photos. It's hardly a new visual approach in the world of food and beverage, but definitely welcome in this market. Finally, good taste and good price are not mutually exclusive.



Torella: The contemporary name and logo design is simple but uses impactful colours. The photography, graphics and staff dress all support the brand positioning. The brand promise of large selection, good quality and refreshing environment all come together to produce a store look and feel that is not typical of the discount food/grocery category.



THE FEEL

Friedmann: It's not unusual across Canada to hear people say they avoid certain value grocers simply because they can't stand the chaotic and unpleasant environments. With its clean, mapped-out interior and a larger proportion of space dedicated to fresh items, FreshCo is setting itself up for a consumer experience win relative to those other bargain grocers. The brand identity does not necessarily reflect FreshCo's enhanced multinational food offerings, but it wisely focuses on reflecting the brand's core values first: marrying experience, style and affordability.

Torella: Trying to achieve a unique grocery brand in the hyper-competitive Ontario marketplace is a daunting challenge. Pulling together and integrating everything from the name/logo to the store look and feel, product assortment and merchandising, staffing and communications have been done with impact and style.

SO FRESH IT'S COOL?

Friedmann: While the idea of modern affordability is a decidedly differentiated positioning, the FreshCo brand may come up just a bit short in meeting the full opportunity. Firstly, I wonder whether consumers might confuse the new grocery offering's label with a successful "cheap chic" spinoff from one of Sobeys' core competitors – Joe Fresh. Secondly, I wonder how ownable the concept of freshness is in an environment that is increasingly littered with names like Freshii, Fresh, Fresh & Wild, FreshDirect and so on.

Torella: Execution is key to retail branding effectiveness. The challenge of delivering "Fresher. Cheaper" will depend on focus, intensity and consistency. The product selection of AAA meats, seasonal Ontario fruits and vegetables and locally baked goods tailored to the store trade area all at low, cheaper prices will be the test of success.



advertiser **FreshCo**; agency **Rethink**; CDs **Ian Grais, Chris Staples**; writer **Katie Ainsworth**; designers **Lisa Nakamura, Jeff Harrison**; producers **Ninette Aves, Jennifer Goos**; photographers **Clinton Hussey, Kevin Clark**; studio artists/typographers **Jonathon Cesar, Tom Pettapiece, Richard Parkes**; account services **Patsy Gannon, Allison Abernethy**; client supervisor **Linda Young-Blendick**

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Digital hits the aisles

Interactive tech is beginning to seep into retail spaces, merging the brick and mortar experience with the efficiency of online navigation to create new media platforms. As installation costs drop, expect more in-store added-value plays

BY JONATHAN PAUL



Above: The adiVerse provides virtual access to Adidas's shoe stock.
Right: Digital screens and touch tech in RBC's RBD branch.



Every year Mike Kaspro, VP, CD and co-founder of Toronto-based interactive marketing agency Trapeze, travels to the Microsoft Research Design Expo – a forum where top design schools display students' prototype interaction-design ideas – where he volunteers as co-chair and creative director. A regular fixture is the Home of the Future, an "in beta residence" that's constantly updated with cutting-edge tech. Years ago, says Kaspro, one particular feature was a mirror that, using image recognition, would allow a person to hold up a shirt and automatically access an inventory of all the pants they own, showing which ones would match.

"If you think about that kind of utility in a store, you're increasing your basket size," says Kaspro. "Embedded technologies in retail and branded spaces give you the opportunity to connect in a way that's convenient and useful to [the customer]."

And the Home of the Future is arriving in stores soon. In January,

Adidas unveiled its interactive adiVerse Virtual Footwear Wall at the 2011 National Retail Federation's convention in New York. Designed to benefit smaller retailers, it extends Adidas' 8,000-plus range of shoes into the store, virtually placing each one at customers' fingertips. (A walkthrough of the adiVerse featuring Chris Aubrey, Adidas' VP of global retail marketing, is available on YouTube.)

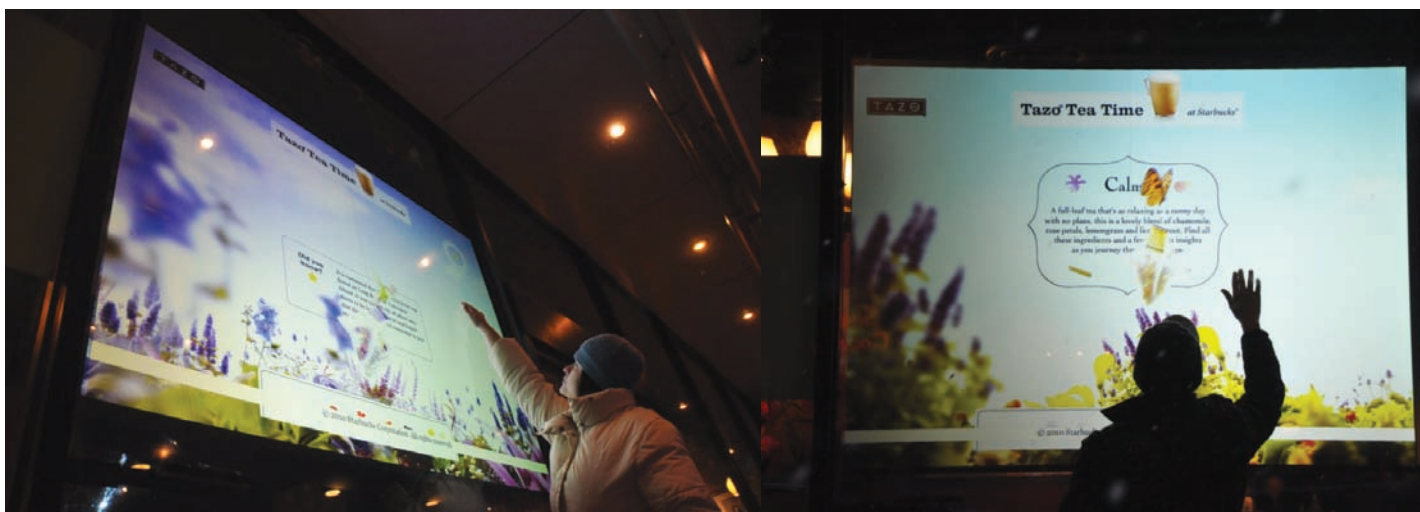
Created in partnership with Intel, and designed by London-based Start Creative, the wall consists of large LCD touch-screens and uses facial recognition tech to determine a customer's gender in order to customize their product experience. They can browse shoes with a mere touch, accessing real-time 3D renderings, with the ability to spin them around, zoom in, as well as learn more – like the technology behind each model. Customers can even find out what people are saying about each shoe on Twitter.

Marrying the efficiency of e-commerce with the brick and

mortar retail experience, adiVerse lets customers add desired shoes to their virtual basket and start a checkout process with an iPad-toting customer service rep to confirm the purchase, completing the buy with a credit card or cash payment.

"[The adiVerse] definitely adds value because it thinks about the consumer and reacts before they even engage it," says digital media guru Robin Hassan, group director, digital, at Starcom in Toronto. "That's the success of it – thinking about the experience of the consumer and how you're making it helpful for them. The thing that worries me is that if you're not careful about the added value that you're bringing to the table and bombarding consumers with too many options, that's where it's going to be messy."

Adidas and the rest of the world will have to wait about a year to see how shoppers navigate the adiVerse, when the company plans to roll out a prototype store in the U.K. While the adiVerse is at the very bleeding edge, it's a perfect indication as to



Above: A Starbucks storefront touch-screen lets customers browse Tazo tea ingredients. Below: Vidéotron's flagship in Montreal features interactive screens inside and out.

the kind of added-value experiences brands are looking to create.

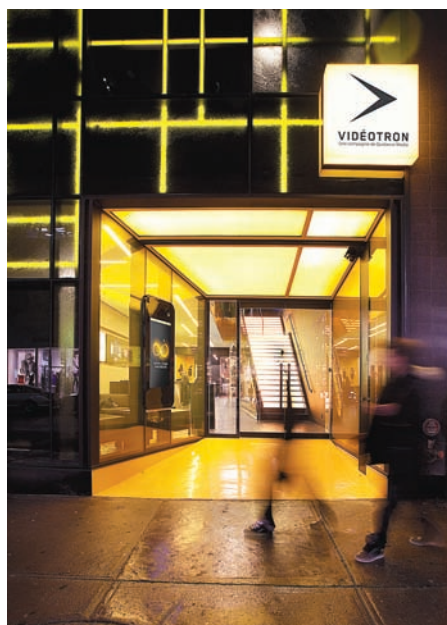
It's been a slower build in Canada, but ground's been broken. At the end of 2009, in collaboration with Halifax-based design studio Breakhouse and Toronto-based advertising and communications agency Clean Sheet, Trapeze helped launch Wind Mobile's retail locations across the country with Microsoft Surface as a technological centrepiece to the store design, embedded into large tables in the middle of each location. The multi-touch interactive displays allow customers to navigate device and plan details by hand, and, along with wall-mounted digital screens showing customers' comments from the Wind Mobile website, aim to more effectively communicate the brand's "Power of Conversation" positioning to customers.

Since Wind's retail launch, interactive technologies have begun popping up with more regularity in Canadian telco retail design where, like the adiVerse, they marry the offline retail experience with an online one to provide customers the freedom to interact with the brand in whichever way they see fit.

In Montreal, Quebec telco Vidéotron recently unveiled its new flagship store, designed by Sid Lee, which, along with a flashy LED-animated multimedia staircase (and soundproof booths equipped with 85-inch HD screens), features multi-touch flat-screen countertops with similar street-facing units mounted on the store's exterior. While the indoor touch-screens allow visitors to navigate the company's product and plan offerings, their outdoor counterparts enable passersby to take photos, or make videos to add to a gallery, as well as email, or even text their friends.

Bell recently brought an interactive touch of its own to its stores, part of an ongoing retail revamp that began two years ago following

its rebranding. Working with Toronto-based St. Joseph Communications' digital marketing arm Alchemy, Toronto-based design shop Burdifilek, as well as Leo Burnett and Zulu Alpha Kilo, Bell heightened the presence of animation and digital signage to present its products and services in a more dynamic way, culminating last summer with the inclusion of touch-screen technology.



"Bell really wanted to have a customer engage a screen and have a dialogue with it, which means they can drill down further on any product, any one of the services and get more information so it actually brings the customer closer to that point of purchase," says Michael Chase, VP, marketing and creative, St. Joseph Media. "[It's] about treating the customer as a smarter, newer, different kind of animal than they've ever seen before. It's really saying, 'we don't want to limit

you' – how much flexibility can we provide in doing things in a digital manner that allows the customer to explore and get to the best they can get out of Bell as a whole?"

Telcos aren't the only ones building interactive tech into their stores. RBC is using it to help redefine its branch model, reinventing them as more of a retail environment.

Initiated three years ago, RBC's Retail by Design (RBD) project, designed by Toronto-based Perennial and implemented by CB Richard Ellis (CBRE), headquartered in L.A., is seeing branches being outfitted with touch-screen tech, making the banking experience less daunting for customers by changing the way RBC approaches them with products and services.

"Customer demands and expectations are changing," says Alan Depencier, VP, marketing services and transformation, RBC Royal Bank. "We knew from trends in our customer research that clients were used to a shopping experience that is much more engaging and transparent than what a retail bank has traditionally offered."

A Microsoft Surface table is located at the centre of RBD branches, where customers can learn more at their leisure about a financial product, service or category. For more information they can progress to the various service-specific merchandisers, each one featuring an interactive touch-screen explaining their product in more detail. EK3, Sapient, Infusion and MTM all helped implement the in-store tech.

The branches are also laid out differently, built around the tech installations, so that customers can navigate more easily. They can then go even further and engage with tellers who are more apt to step out from behind a counter to help.

"[Applying] retail principles in the bank, and technology, have allowed people to look at products a little more closely," says Danny

Kyriazis, VP, global retail programs, Perennial. "RBC has started looking at banking in a way that's more about what the customer needs rather than what it wants to sell. The ability to use technology to make a complex product much simpler makes customers feel far more empowered. It makes them feel smarter about deciding to bank with RBC."

An RBC RBD prototype branch opened in Burlington, ON., in October, with a second launched in December in Halifax. RBC has plans for one more proof-of-concept store to open before it rolls out RBD elements across its network over the next couple of years.

Proof positive that brands across the board are becoming more interested in playing with interactive media in the retail space is Starbucks' recent dabbling with touch tech. It created two such retail experiences at stores in Vancouver and Toronto as part of

the tier one real-estate their stores occupy, it makes an enormous amount of sense to leverage some of these locations for this purpose."

Starcom's Hassan, who says her team has been actively investigating interactive tech solutions, notes that three conditions must be met for her to consider such applications for clients: personalization of the experience for the customer, the promise of, and clarity on, the added value provided and, most notably, scale.

"You can do something really unique, but if it's just in one or two locations, how many people are you really impacting?" she asks.

Cost has been a major factor when it comes to scale. For the Wind Mobile team, installing Microsoft Surface technology was not an inexpensive endeavour, costing \$15,000 per unit for Surface version 1.0. Since then



Wind Mobile stores feature Microsoft Surface tech embedded in large centralized tables.

a four-week campaign promoting its Tazo line of teas. The screens, developed by The Media Merchants in Vancouver, MediaCom and Blast Radius, were developed as a retail/experiential crossover effort. Passersby and coffee clientele could navigate the interactive storefront displays to explore the ingredients in three different teas by using the screens to guide one of three creatures (a hummingbird, dragonfly or butterfly).

"Clients can immerse parties in their brand with an interactive game, or gather information to better understand their needs, and they don't even have to enter the store," says Brad Foster, president, The Media Merchants. "For a retailer like Starbucks, with

costs have fallen. It was announced at the CES in January that the soon-to-be released Microsoft Surface version 2.0 will retail for around \$7,600.

"I think reduced cost in installing these units is bound to mean improved scale across the country," says Hassan. "That will be critical to the adoption of digital retail tech by media planners, as it will also mean that ROI of creative development can be amortized more quickly and against more reach."

Hassan predicts that interactive technologies will begin to become more prevalent in Canadian retail spaces in the next 18 months. The question, she says, will be whether they'll be owned by the brands [like Adidas' adiVerse] or the retailers. ■

Clear Channel helps travellers find their way

Clear Channel has brought the interactive experience "out of home." It recently unveiled its first Spectacular Interactive Digital Advertising and Wayfinding Display at Toronto Pearson Airport in Terminal One as part of a live market test in collaboration with the Greater Toronto Airport Authority. The unit combines two tall, 1080p HD plasma displays with a retail promotional wayfinding module that features two interactive touch-screens.



The unit allows travellers to navigate the terminal in order to seek out gates and the best routes to get to them, washrooms, or even a good place to get a cup of coffee.

Advertisers can not only take advantage of the plasma screens to play commercials, but they can also co-opt the interactive touch-screens for customized branded endeavours like couponing. Brands currently advertising on the unit include Afexa Life Sciences, BMW, CIBC, Grand & Toy, Nissan, Reliance Protection and Stuart Weitzman.

"It marries the needs of both the landlord – in terms of supplying valuable information to their own patrons – and the needs of the advertisers who are trying to get the biggest bang for their buck," says Alain Simard, VP marketing, Eastern Canada, Clear Channel.

KILLER RETAIL DESIGN



BY EMILY WEXLER

We live in a fast-paced world where style is sometimes eschewed for the sake of speed and convenience. When it comes to buying items like groceries, office supplies, alcohol or pharmaceuticals, we expect our retail experience to have a certain level of organization, but we don't typically frequent these locales to soak in the stunning design elements.

But in a world where a new big box store springs up every second (or so it seems), some retailers are realizing that design can be an important tool in their arsenal to stand out from the pack. They're marrying convenience and the kind of design that makes customers stop and take note – and even spend a little extra time in the aisles. By focusing in on what the consumer really wants, and adding a few elements to wow them, these companies are turning the pursuit of everyday items into a unique shopping experience.

Read on to learn about a few retailers who are mastering the art of convenient design.

LONGO'S

URBAN GAME PLAN



Walking into the Longo's at Maple Leaf Square in Toronto feels as though you're entering a chic outdoor market rather than a grocery store on the concourse level of a huge city building. Working with design firm Watt International, the new store opened on Oct. 6, 2010, but had been in the works since the grocer first sat down with Maple Leaf Sports and Entertainment back in 2006 and started planning.

It's the latest urban location for Longo's, which has 23 stores in the GTA. The family-owned business, which started out as Longo's Fruit Market in 1956, is known for its large suburban locations outside the city.

Longo's consulted with retail guru Paco Underhill, and conducted research on how shoppers downtown differ from those in suburbia. They found that there was an average of 1.7 people per dwelling, and they shop more often but buy less each time. While they do buy some items in bulk (like toilet paper), they come in more often for fresh items. *Strategy* asked Rob Koss, VP marketing at Longo's, about how the design speaks to the downtown Toronto shopper.



Top of page: the Maple Leaf Square floor plan doesn't feature the usual long aisles. Above: customers can sample over 300 varieties of cheese, and then sample local beer and wine at Corks.

MAPPING IT OUT

"It wasn't a green field building where we're starting from scratch, the footprint was established," says Koss, when asked about the challenges of designing the store, which is accessible by elevator or a centrally-located escalator.

Unlike a typical grocery store, this Longo's is conspicuously lacking in aisles, with only a few short ones in the packaged goods section. Working with the insight that urban customers won't need a full shop each time, the 48,000 sq. ft. store is organized into large sections with three "paths of shopping," outlined on maps for customers – a full shop, a fresh shop and a meal shop – eliminating the tendency to wander aimlessly looking for the right products.

FOCUS ON FRESHNESS

The focus of this urban store is clearly on fresh ingredients, which dictates many of the design elements. There is a huge cheese island in the centre where customers can sample over 300 varieties. There is also an on-site butcher shop, a wood-burning pizza oven, a carving station, a coffee station where beans are roasted in-house and a chocolatier complete with a chocolate fountain.

Many of these elements were tested first in various suburban locations, and then brought together for Maple Leaf Square.

CREATING COMFORT

One element that hadn't been tested in other Longo's locations was the Corks Beer and Wine Bar – an actual licensed bar where customers can sample local drinks. The idea, says Koss, came from Mike Longo, VP of fresh merchandising, in response to the trend towards local products, and giving customers the opportunity to test them out.

The bar is located next to another unique feature – the Loft Lounge, an area equipped with sofas, a fireplace, flat-screen TVs, free Wi-Fi and Starbucks coffee.

And while these elements clearly keep the customer in the store longer, the real focus is providing a comfortable environment, says Koss. "It's having the right music on and the right images on our video screen to really enhance the experience," he says. "You can buy groceries anywhere, so the more pleasurable we can make that, the better."

INTO THE FUTURE

With six stores now in the 416 area code, such as the smaller Market store on Bloor, Koss says that Longo's continues to test and learn. While the Maple Leaf Square store is still new, Longo's will look into the possibility of incorporating some of the new design elements into new stores, such as the one opening in Milton next fall.

GRAND & TOY

TARGETS SMALL BUSINESS



The revamped storefront features video screens and aspirational messaging, and inside, support offices allow small business owners to consult with advisors.

Last year, Grand & Toy began a transformation from office supply store to small business centre, with a redesign at the centre of the shift. Although retail is only about 9% of Grand & Toy's business, "it's a very important part because it's been the most visible part of our brand for 125 years," says Kevin Edwards, VP marketing at Grand & Toy.

After having closed many locations over the last five years, the retailer underwent a fundamental shift to target an underserved market – small business owners with companies of about five to 25-plus employees.

"Grand & Toy was much like the competitors, offering some of everything," says Richard Dirstein, VP at Shikatan Lacroix, the firm behind the new design.

With 20% reduction of stock, the new centres are less about office supplies and more about services to help small business owners

design and function in their space. It started with three prototype centres in Vancouver, and recently opened five in Toronto.

FROM STORE TO CENTRE

Like Longo's, the new Grand & Toy concept is full of features to keep customers in the store, utilizing the space instead of just shopping in it.

The new stores boast copy centres with chairs and tables to lay work out, and a graphic designer on-hand to help. At a tech bar, customers can test out products like printers or scanners. The catalogue has been moved online and internet search stations allow customers to browse in-store. An "architectural display" showcases furniture pieces, set up with accessories and technology so small business owners can see how pieces could function in their space.

And borrowing a design element from the banking industry, support offices with full-height glass walls

– also equipped with furniture and accessories available for purchase – allow for consultations with personal business advisors to customize office equipment. Lounge seating serves as a waiting area for the support offices, where customers can also read about and check out the products.

FROM BLEAK TO CHIC

While the former stores were essentially colourless, Dirstein explains that they took cues from the recently updated logo to add warmth to the interior. Splashes of orange and shades of green were used throughout, along with wood laminate, glass tiles and columns. A front window display features aspirational words, and screens with changing images give a sense of constant movement.

While the cash areas were previously unnoticeable against a wall, now large bulkheads above

them – also above the customer service area and copy centre – make the store easier to navigate.

INTO THE FUTURE

Edwards says that the Vancouver locations allowed them to test out various aspects of the centres, and they came away with key insights about everything from staffing to store hours to product offering, to apply to the new Toronto locations.

The new stores have already seen success within the design community – G&T won a Retail Council of Canada award for retail store design in 2010.

The plan is to create 50 or 60 centres in the next few years. "Our intent over the next few years is to elevate our brand back within our retail network, so we're really excited," says Edwards.

something for you

SPECIAL OCCASIONS

DECOR

GIFTWARE

REVLON

FEEL AT HOME

LAWTONS

PUTS ITS PEOPLE FIRST

Owned by Sobeys, Lawtons is a drugstore chain with over 65 locations in Atlantic Canada. In 2004, it underwent a rebranding to bring it up-to-date and stay competitive in the increasingly tough category. In 2009, Lawtons entered the next phase of its evolution and the retailer hired Halifax-based design firm Breakhouse to update its look in six new locations.

LEVERAGING EAST COAST CULTURE

After speaking with Lawtons and learning that its employees were its pride and joy, Breakhouse set its own secret shoppers loose in the stores to experience it for themselves.

"We found that their employees were fantastic [but they] were not as highly visible as they should be," says Glen McMinn, CD and partner at Breakhouse, explaining that the East Coast culture of friendliness and conversation helped dictate the design.

This resulted in the creation of contact stations in the three main areas of the store (cosmetics and giftware, pharmacy and home health care), where an employee would always be within eyeshot. To make that possible, they had to eschew the typical rows of high shelving in some areas in favour of sections with higher shelving around the perimeters, and shorter shelving on the inside.

Messaging became a key component of the design, centred around the "Feel good, look good" tagline. Larger headings on walls such as "something for you" indicate smaller sections below like "giftware." The high ceilings mean that anywhere a customer stands in the space they can identify the different areas.

OLD-SCHOOL DESIGN

Lighting also played an important role in the new design, using front and back lighting strategically to highlight signage and products, and to give the feeling of natural light despite the fact that there are actually offices overhead.

"Part of their brand strategy was marrying an outdoor market [feel] with the culture of an old-school department store," says McMinn. "I think with any designer, you have to look at what makes a company great and help them come to terms with that."

INTO THE FUTURE

Janane Chater, senior director of marketing and corporate communications at Lawtons, says that Lawtons' market share has grown, and the chain continues to evolve. They plan to open a few new stores in the coming year, and will incorporate the new elements into any renovations going forward.

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THE SAQ UPSCALES UPSTAIRS



About four years ago, Quebec's liquor control board, the Société des Alcools du Québec (SAQ) underwent a redesign with its agency Sid Lee that reorganized the stores based on the way consumers bought wine (such as price and flavour) instead of how the industry thought of it (by region). This was followed up by "Taste Tags" that categorized wine into eight colour-coded groups and demystified the wine-buying process further.

So when the SAQ wanted to update its higher-end store in Quebec City, SAQ Signature, Sid Lee was up for the challenge.

DISCERNING TASTES

"When people came to the store, they couldn't tell if it was a high-end store or a regular store," says Isabelle D'Astous, co-CD at Sid Lee and the creative lead on the project. "They didn't have any space to experience the rituals of the tasting."

Differentiation became a key goal. The new Signature store would be housed in a new location, a floor above the standard store (called Sélection). Created around the concept of wine tasting, the store would be an "authentic wine cellar with a modern twist."

Unlike Sélection, Signature is primarily geared towards the wine connoisseur, who likely has a fully stocked wine cellar and may even spend \$600 on a bottle (the most expensive bottles hit the \$3,500 mark). Its secondary customer knows less about wine, but is looking for a special bottle, for an anniversary perhaps, at closer to the \$25 price tag. The store had to appeal to both groups.

AN AUTHENTIC APPEARANCE

"We're not creating a Las Vegas or Walt Disney wine cellar," says D'Astous. "We wanted to create something very modern but authentic."

Sid Lee took a cue from the black labels in fashion with its signature look, and used only real materials – such as wood and slate – inside



the store. New arrivals are kept in wood crates to further evoke the cellar feel.

Love for wine is literally written on the walls of the store (and the floors) with passionate quotes, as well as coats of arms for different vineyards and both the city and province of Quebec (to keep the experience proudly Quebecois).

To further educate this already-knowledgeable audience, a wall illustrated with wine bottles of varying sizes and the name for each bottle was also included.

WINE TASTING 101

The Signature store isn't all about buying wine, it's about experiencing it, evidenced in its wine-tasting details. Like the Sélection stores,

the Signature store has a machine that allows customers to sample a small amount of wine for a dollar. The dispenser preserves the wine so that it doesn't spoil once the bottle is opened, and is located next to long tables where tasting events can take place. The devil is in the design details that the non-connoisseur may not notice, such as a white portion of the table that allows tasters to clearly see the colour of the wine. At the old store, sheets of paper had been used.

D'Astous says those details were highly important to the overall store experience. "Before even selecting the colour scheme, we met with the consumers and the director of the store to talk about what could be integrated," she says.

They also created a system of stickers that allow the customer to label their bottle with details about when they should drink it. "When you have two bottles in your cellar, it's not a problem, but when you have 50 or 100, you don't even remember it."

INTO THE FUTURE

The Quebec City Signature store has been open for about a year now, and the only other location is in Montreal. It will likely be similarly redesigned within the next year. D'Astous says there are no immediate plans to open more locations – after all, you have to keep these things exclusive.

GLOBAL CONVENIENCE

How do other countries stack up when it comes to retail design? DW+Partners' director of retail strategy Edward Rajewski shares a few examples of how convenience stores are being taken to a whole new level around the world.

THE U.S.: SHEETZ

Proclaiming itself a "mecca for people on the go," Pennsylvania-based Sheetz is a chain of hybrid gas stations/convenience stores/QSRs open 24/7 with 365 locations in six states.

"The look and feel of Sheetz is very retro but when you go inside, they're very sophisticated," Rajewski



says, noting that they use interactive technology so that all orders are placed on digital screens.

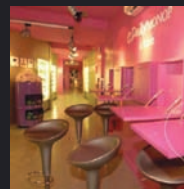
Rajewski says he was blown away by the chain's focus on branding and attention to every little detail – from the smallest in-store signage to their fleet of vehicles. Sheetz represents how sophisticated convenience has become in the U.S. and how in-touch with customer needs it is – a good example of where similar retailers could go north of the border.

FRANCE: MONOP

Monoprix in France is as ubiquitous as Shoppers Drug Mart here in Canada. The large-format stores offer everything from clothing to pharmaceuticals, but it's the company's foray into smaller convenience-sized shops that's noteworthy.

Called Monop (there is also Dailymonop and Beauty Monop), the little stores are based on a fresh-to-go concept, offering everything from baguettes to coffee and wine, aside from the typical convenience fare. Each Monop has a different look and feel, a sort of macro-marketing approach based on neighbourhoods, which comes down to how they perceive their customers' needs, explains Rajewski.

Monop also stands out for going against the



typical quick-in, quick-out attitude of convenience by including elements meant to keep customers around, like small flip-down tables and wireless access in Dailymonop stores. "It's the kind of place you want to hang out, you feel comfortable, almost as if you're walking into your home," says Rajewski.

JAPAN: HAPPY LAWSON

Originally an American chain, Happy Lawson entered Japan in the 1970s. The mom-friendly stores provide toddler play areas and an array of services that seems mind-boggling: you can buy fresh food and alcohol, order home appliances, book an airplane ticket, buy concert tickets, drop off luggage for the bullet train, sign up for driver's ed and even pay your income tax. Each store looks a little different, but they're all recognizable by the iconic smiling-face logo.

But would the ultra-one-stop-shop Happy Lawson model work here? Ultimately, convenience stores are a reflection of the culture of that society. What consumers want and expect in France or Japan differs from what we want here in Canada, and at the end of the day, says Rajewski, retailers must ask themselves, "what does my brand represent and what do I want my customers to think of it?"

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An exit interview with **David Moore**

Strategy solicits some last words from Leo Burnett Canada's departing president and CEO, as well as his colleagues **BY MELINDA MATTOS**

After 23 years with the agency, Leo Burnett Canada's president and CEO, David Moore, is hanging up his hat.

It's been an eventful couple of decades. Moore first joined Leo Burnett's Toronto office in 1987 as an account executive on 7Up and was soon transferred to Mexico City, where he helped double the Procter & Gamble business in less than three years. He also launched Pampers in Argentina and Brazil, and led the launch of United Airlines in Latin America.

After eight years, he joined Leo Burnett in Chicago as VP, global account director, where he ran the \$100 million P&G account. The Winnipeg native returned to Canada in 1999 as EVP, general manager, and was promoted to president and CEO of Leo Burnett Canada in 2004.

Since then, the Canadian agency has become a creative powerhouse, raising its status within both the network and the market in general. By investing in research and bridging the gap between creative and media, Moore has kept Leo Burnett at the top of its game as the agency added accounts including RIM, Bell Canada and Moosehead Breweries.

As Moore steps down on March 1, Judy John will add CEO to her current CCO title. Dom Caruso,

former president and CEO at BBDO Canada, has also joined Leo as its new president and COO.

Strategy caught up with Moore for an exit interview on one of his last days at the helm.

In an industry where agency-hopping is the norm, you've spent 23 years at Leo Burnett. Why?

This agency has always had a strong culture around its people. I felt at home here as soon as I started. They also afforded me a lot of opportunity. I spent 10 of those 23 years in our global network in Latin American, in Mexico City, and then in Chicago, so I felt like I was doing something new all the time.

Do you remember your first day?

I had spent two years at Vickers and Benson and the president of the agency wouldn't even know my name in the hallways. On my very first day at Leo Burnett, in 1987, Tony Houghton, the CEO, came into my office just to personally welcome me and say how thrilled he was that I'd joined the agency. When he walked out of my office, I remember being awestruck that I'd spent more time with [the CEO] on my first day than I had in two years at the other agency.

Two and a half years after joining Leo Burnett, you were transferred to Mexico. What was that like?

Those days Hong Kong was booming and everybody had said, 'Be prepared to go to Asia,' and so I had in my mind that I was moving to Hong Kong. But they said, 'No, we want you to take a look at Mexico City.' I knew very little about Latin America, but when I went down to Mexico City, I fell in love with it.

It was a great time to be in Mexico, in the early '90s. There were expats from all over the world, both on the agency side and the client side, and it was sort of like the Wild West. All of our clients' businesses were growing, salaries were growing, everything was growing.

What was your most memorable project?

One of my biggest challenges was launching Tampax in China [as the global account lead while in Chicago] when they had never seen a tampon before. Just think of that marketing challenge, when you've got close to a billion women saying, 'Exactly what do you want me to do with this product?'

[We tackled it] through educational programs in villages, setting up programs to educate women

on the possibilities of this kind of a product. I have to say it's one of the most fascinating cases I've ever worked on – just intellectually challenging.

Lance Saunders from DDB mentioned that early in your careers at Leo Burnett, you repossessed some cars together...

Oh my God, that's right! It was a promotion for 7Up and you could win a Cobra Kit car. We had commissioned someone up in Barrie to build these Kit cars. Well, he wasn't delivering them, we had paid him upfront and we had these sweepstakes winners who had no car. My boss in Toronto said, 'You go up to Barrie and you see how he's coming along and get that production line in gear!' Finally, we had to go up there and repossess the cars.

What's the accomplishment you're most proud of?

It's threefold. Consecutive years of growth even through the recession is something that I'm proud of. Our creative reputation I'm exceedingly proud of – the fact that we're consistently one of the most creatively awarded and recognized agencies in the country. And I'm really proud of the environment that we've built and our ability to keep people.

How has the industry changed since you started?

When I started in the business, there were clearly rules of engagement, the blueprints were all set. In the very simplest of terms, it would be, "Let's find what differentiates our product vs. another product, why are we better and let's do a 30-second ad and run it for 52 weeks and we'll watch our sales increase." There's no longer a blueprint, just a very fluid array of channels available to us that we may or may not be able to harness. It's a dramatically different industry but one that's more exciting now than it's ever been.

What words of advice do you have for Dom Caruso and Judy John, as they take on the respective responsibilities of president and CEO?

Never forget that tingle you get at the back of your spine when you see a great ad or concept for the first time. Never lose sight of what that means. Anybody who loves great work and nurtures great work ultimately is successful in this business – that's the only formula there is.

What are your plans now that you're leaving Leo?

I'm going to Rio for a month, to sit on the beach in Ipanema. I've got a couple of different projects and opportunities that I'm considering. None of them would be a full-time, corporate, 9-to-5 type of thing.

It's just an opportunity for me, after all these years, to focus my priorities on my own personal and professional agenda and create something new for myself.

Any last words?

One of the things I've most valued in my career is my partnership with Judy John. We started working together about eight years ago and we've never looked back. When you're very much in sync, good things come out of that.

Tales from the trenches

"Twenty-four years ago, David walked into Leo Burnett to work for me as an account executive on 7Up and Pepsi. He arrived a nervous young guy with a funny laugh and now leaves a swaggering, distinguished man – still, thank God, with the same laugh.

Back then, before the internet, you had to talk face to face to find out what was going on. From day one, I spent all my time trying to find him. David never did business just sitting at his desk: he would roam around, he was always in the nooks and crannies of the client's office and the agency, even across the street at the competition. He spent his time cementing relationships, finding out everything there was to know and training everyone to say 'David was just here – he went that way.'"

–Judy Flanagan, chief planning officer, Young & Rubicam and YR Brands Canada



"While I've never had the pleasure of actually working with David, I've had the distinct pleasure of having him on our boat, cruising with friends under the early morning stars in Muskoka, when he broke out with his heartfelt, out-of-tune knowledge of every word to Cat Steven's *Tea for the Tillerman* CD that was playing at the time. It was one of the most memorable live performances any of us had ever seen."

–Bill Durnan, strategy and creative council, Joe Jackman Brand



"In the 10 years we've been in business, we've never been able to recruit a single Leo person away because they are so loyal to David. In an industry marred by high turnover, David has done a spectacular job building a culture of loyalists. Oh, and he's the only guy I've served with on the ICA Board of Directors who seems to be getting younger looking as time goes by – I wish him good riddance!"

–Arthur Fleischmann, president, John St.



"David is dedicated, hard working and happy to accommodate requests when he can. A few years back, David did get a very interesting request from the VP of marketing at Kellogg's at the time, Guillermo. He called David and asked if he had a suit jacket at the office that day. Luckily – actually, no luck involved, as David always looks amazing – David had a suit jacket with him. Later that day, he was the best man at Guillermo's last-minute wedding at City Hall. (He was being transferred back to Mexico and decided to get married just before he left.) Truly a full-service agency man!"

–Carol Stewart, president and CEO, Kellogg Canada



"David has always maintained the same calm, cool and collected persona, even under the greatest pressure. We used to joke that he was like John Kennedy. You always saw him perfectly coiffed in every single picture. I skied with David and it could be 20 below with the wind howling on the chairlift and there's not a hair out of place. He's got the perfect ski outfit on, he's got the perfect pair of sunglasses.

We had many fun times drinking through various bars in Chicago, staying up all night and showing up to a breakfast meeting at 7 a.m. While I looked at myself in the mirror and was scared to see the sight that I had become in the last 12 hours of drinking, he looked fresh as a daisy."

–Lance Saunders, EVP, managing director, DDB Canada



BY WILL NOVOSEDLIK

DESIGN IS DEAD LONG LIVE DESIGN THINKING

BRAND EXPERIENCE

My career as a designer ended 18 years ago. By that I mean I stopped earning my living by designing visual communications all day long and replaced it with the more supportive roles of getting business, managing client relationships and providing guidance to the younger designers in my employ. As a partner in a growing firm, this was both a necessity and a responsibility. And truth be told, I couldn't keep my design skills as sharp and current as the talent we hired to keep us at the top of the market. So I swallowed hard and moved on.

Some folks would lament such a development. Others would ignore it and slip into middle-aged mediocrity. In my case it turned out to be the best thing that ever happened because it forced me to find other avenues for the passion that I still had about design, communications and branding. I could now stand back and examine the business I was in, its role in society and culture, and its effectiveness in the marketplace, which led me to write and publish, and ultimately, to play executive roles in completely different businesses. In short, it was transformative.

Having laboured outside the studio for so long, as both a client and a consultant, I often find that design is still misunderstood and undervalued, both by clients and by related creative disciplines. In the case of the latter, it alarms me that advertising people still regard design as a poor second cousin, or as mere window-dressing in comparison to the "conceptual" force of advertising. This myopic view is the byproduct of their persistent obsession with the brevity of the headline and the 30-second spot, bolstered by the historically huge cost of mass media. Well, we all know where that's going.

Sadly clients share a similar perspective. This is far more damaging, and, coupled with the paucity of head offices in this country, has significantly impacted the health of the design industry over the last decade.

Allow me to illustrate. I'm told that, outside of New York and Boston, Toronto is home to more designers than any other place in North America. That should mean that the industry is growing. But I'm also told that half those designers are freelancers. Gone or greatly reduced are the 40- to 50-person firms that dominated the landscape back in the '80s and '90s. Of the firms that are left, the average number of employees is more apt to be four or five at many of these shops. The raw number of practitioners may be growing, but from a structural perspective, the industry has been shrinking.

If you view, as I do, that design has a strategic role to play, then designers need to be working with the C-suite. The lack of head offices in a branch plant economy like Canada's means there aren't enough C-suites to support a

growing design industry.

At the same time, schools are churning out scads of graduates. These grads are entering an oversaturated market with few firms that are able to absorb them, thus depriving raw recruits of the mentorship that is crucial

byproduct of print culture; thus its legacy is tied to a dying medium. But design principles are universal. Good design thinking results in positive and enriching experiences in any medium. Happily, this idea is just beginning to catch on in the digital world, where experience designers are highly valued and sought after.



Toronto-based Idea Couture not only designed the website for MIT Global Challenge but also led MIT through the strategic ideation process that resulted in its online platform.

to their development. Forced to freelance, they flood the market with too little experience and too much competition. This in turn deflates fees, increases the client's buying power and devalues the industry as a whole. Not a pretty picture.

Likewise, attempts to change client perception through professional certification have failed dismally. The Registered Graphic Designers of Canada, for instance, has had absolutely no impact on the business community. Designers would be wise to spend their hard-earned money elsewhere.

Then there is, of course, the impact of technology. Visual communications design is a

Despite all this doom and gloom, there is reason to hope. In the '90s, top firms tried to convince clients that what they did was vitally strategic. They did not succeed for the most part. Had they hired business strategists, anthropologists, researchers and ethnographers, they might have. This is now beginning to happen at firms like Toronto-based Idea Couture and San Francisco-based Ideo. These firms stoke the fires of innovation that clients so desperately need these days in order to compete.

The "design thinking" that fuels those fires may not only save design but save business as well. The old model is dead. Long live the new model.

Will Novosedlik has worked on brands both as a consultant and as a client in Canada, the U.S. and Europe. He can be reached at novosedlik@gmail.com.



BY TONY CHAPMAN & KEN WONG

WEATHERING THE IMPENDING STORE BOMB

With Target and other big U.S. retailers set to hit Canada, *strategy* asked our retail marketing gurus to spend a day sharing their thoughts via email as to what will transpire.

Ken: Target comes to Canada! It's going to make some consumers pretty happy, and not just because they can now shop at Target. My take is that the retail sector is about to change in ways beyond cheaper designer-like clothes.

Tony: Target is a category killer based on a simple insight – women love a treasure hunt. At Target they discover affordable fashion, accessories and goods attached to highly recognizable names like Stella McCartney, Michael Graves and Jean Paul Gauthier.

Ken: Target also has a small-footprint fresh grocery format, a “super” discount format and even a distinct design for rural versus urban centres that they are testing. Not only can women treasure hunt, they can do it in the format that best suits them.

And there's even more: The Bay's willingness to sell Zellers suggests it's moving even more upscale.

Downtown malls anchored by Target also just became more fashionable. Winners just got new competition, Walmart's pursuit of more brand-conscious upscale shoppers gets tougher, even Shoppers Drug Mart's cosmetics section will feel some impact: that's a lot of disruption caused by a single entrant.

Tony: Add to that a robust economy and currency, relative to the G7, and Canada becomes a gateway for other retailers running out of runway in the U.S. marketplace.

Markets like Southern Ontario are already oversaturated, and we haven't even factored in the growing impact of “clicks” and online auctions or group buying.

It could be a bloodbath for retailers, and the manufacturers who depend on their shelves for volume.

The short-term winner will be the consumer, with pricing wars a hedge against inflation.

But in the not-too-distant future? A lot of boarded-up storefronts.

Ken: Yes, every boom gives way to a rationalization or culling of the herd. But, until then, what a great time to be in marketing!

While I doubt any of the U.S. retailers will change their stripes as they move northward, there's going to be a lot of tactical

dollars, media buys and promotional activity generated. Do you think agencies will bulk up and then let people go, or will we see a lot of freelance work suddenly become available?

Tony: This will be no skip through the park or the friendly sparring we see today.

This will be a retail war and it will be long and bloody.

The prize isn't a share of wallet spike delivered through a door crasher or an advertising campaign, or for an agency,

a retainer. This is about winning sustainable market share.

The winner(s) will be the few that use intelligence gathering on Canadians by segment, geography, ethnicity and behaviour as their DNA; insights and strategy as their lifeblood; and creativity that captures the attention of a jaded consumer.

They'll need to be so operationally focused they can consistently sell and deliver on their promise – their reason why – across store operations, staff and merchandise, social, digital, retail and mass media.

Agencies that can enable this ecosystem will soar, the others will be casualties.

Any retailer or agency, regardless of size, can have or be had in this marketplace.

Ken: Not the kind of stuff you “buy” on a contract basis, is it?

That tends to tilt the scales in the direction of those with the courage to make some big bets on developing competencies or those with the intelligence to find new ways of making the agency business more productive and efficient – which is not the same as laying people off.

Tony: This is the kind of marketplace where destiny is a matter of choice, not chance. What a wonderful time to be in the game.

Tony Chapman is the CEO of Toronto-based agency Capital C; Ken Wong is a prof at Queen's University and VP, knowledge development, at Level 5.

THE ACADEMIC & THE ENTREPRENEUR





PHOTO BY TOM NANOS

The impending arrival of Target has Canadian retailers huddled in war rooms plotting offensive gambits. Empathetic to the Cancon cause, the folks at **Blammo** virtually joined the brainstorming and came up with a killer retail app...

Announcing the grand opening of a truly unique retail concept. This innovative store features vast quantities of quality merchandise. You'll be amazed by the enormous selection of large kitchen appliances, custom belt buckles, designer aquariums for the home or office, 17th century Flemish Baroque furniture and so much more. The minimalist store design and easy-to-navigate layout serves to accentuate the infinite array of options. And you can forget about commission-obsessed salespeople. This fully immersive shopping experience is hassle-free.

This is the first of 75 newly designed locations to be opened throughout Canada.

For franchise opportunities, please call Alan or Andrew at 416-979-7999.



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SOURCE: FORRESTER

**75% WOULD
ENTER A CONTEST
OFFERED VIA EMAIL.**
SOURCE: IPSOS

**7.7% AVERAGE
CLICK THROUGH RATE
ON NEWSLETTERS.**
SOURCE: SYMPATICO.CA

Women are far more interested in promotional emails. Source: Ipsos



**8 OUT OF 10 18-34 YR.
OLDS PARTICIPATED
IN A LOTTERY IN 2008.**

SOURCE: IPSOS

PRIZES OF
electronics & concert tickets
are increasingly appealing.

SOURCE: IPSOS



8%
**VISITED MAJOR
NETWORK SITES BECAUSE
OF CONTESTS.**

SOURCE: SOLUTIONS
RESEARCH GROUP



31%
**OF WOMEN SAY ADS
CONTAINING CONTESTS
RESONATE MOST.**

SOURCE: MARKETING MAGAZINE



**MEN SPEND
MORE THAN
TWICE AS MUCH
ON GAMBLING.**

SOURCE: STATS CANADA

CASH PRIZES
ATTRACT THE MOST PARTICIPANTS.

SOURCE: IPSOS



**25-34 YEAR OLD WOMEN
ARE THE MOST INTERESTED
IN ONLINE CONTESTS.**

SOURCE: SYMPATICO
RESEARCH



**ONTARIANS SPEND
ABOUT \$400 MILLION
ON ONLINE GAMING.**

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SYMPATICO.CA CONTESTS

*typically draw over 55,000
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Source: Sympatico.ca

Contact Tracy Domitrovic at tracy.domitrovic@bell.ca
to learn more about contests, direct marketing, and
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